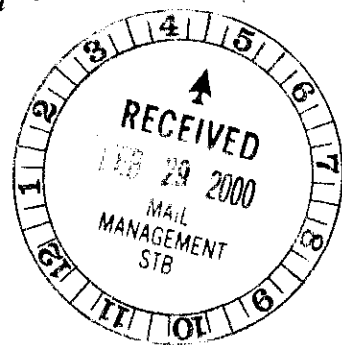


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February 18, 2000

Mr. Vernon A. Williams, Secretary  
 Surface Transportation Board  
 Office of the Secretary  
 Case Control Unit  
 Attn: STB Ex Parte No. 582  
 1925 K Street N.W.  
 Washington, D.C. 20423-0001

Dear Sir:

SMED International Inc. is an Office Furniture Manufacturing company that is a major user of rail service in the U.S. and Canada. The purpose of this letter is to comment on the issues to be discussed on March 8<sup>th</sup> 2000 in Ex Parte 582.

We encourage the Surface Transportation Board to focus on whether the proposed CN-BNSF combination is good for shippers, not on potential downstream effects. The CN-BNSF combination should be judged on its own merits and if other carriers propose mergers, then these cases ought to be evaluated on their merits.

The timing of the proposed CN-BNSF combination is not the central issue for our company, service is our main concerns as well as our customers. Recent mergers have failed on service, not because of timing. Accordingly, the Surface Transportation Board should focus on ensuring that CN-BNSF combination, and any other future mergers, will deliver service especially with the massive shortage of drivers within North America.

The Surface Transportation Board has a comprehensive process to evaluate railroad transactions and protect the public interest. It should fairly evaluate the CN-BNSF combination according to that process. Do not let other railroads use the Surface Transportation Board process to protect themselves and not the shippers.

Sincerely,

*K. J. Zandee*  
 Kevin J. Zandee  
 VP of Distribution/Traffic

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 Office of the Secretary

FEB 29 2000

Post of  
 Traffic Director

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